

Utah Insurance Department
State Office Building, Rm 3110
Salt Lake City, UT 84114
(801)538-3800
Sandra Halladay
Market Conduct Examiner

**BEFORE THE INSURANCE COMMISSIONER
STATE OF UTAH**

**UTAH INSURANCE DEPARTMENT,
COMPLAINANT**

VS.

**Morgan Insurance Company, ID# 168065
RESPONDENT.**

**NOTICE OF INFORMAL
AGENCY ACTION
AND ORDER**

Docket No. 2017-016CA
Enf. Case No. 3865

Brett J. Barratt, J.D.
Presiding Officer

The Utah Insurance Department has commenced this informal adjudicative proceeding pursuant to Utah Code Ann. §§ 31A-2-201 and 63G-4-201 and Utah Admin. Code R590-160. Based upon information contained in agency files or known to the Department, the Department asserts the following facts:

FACTS

1. Respondent is a Captive Insurance Company holding certificate of authority number 168065. Respondent's address is c/o Corsaro & Associates, 28039 Clemens Road, Westlake, Ohio, 44145.
2. On or about September 22, 2016, the Department received an inter-departmental referral alleging that Respondent, Morgan Insurance Company, Ind., had several matters of non-compliance that needed immediate attention.

3. On or about February 13, 2017, the Department sent Respondent a letter outlining the areas of non-compliance.

The letter detailed the areas of non-compliance as follows:

a. Failure to submit annual audits on a timely basis for year ending 12/31/2015 in violation of Utah Admin. Code, R590-238-6;

b. Failure to submit annual report for year ending 12/31/2015 in violation of U.C.A. §31A-37-501(2)(a) and Utah Admin. Code, R590-238-4;

c. Failure to submit a Statement of Actuarial Opinion for years ending 12/31/2015, and years ending 12/31/2013 in violation of Utah Admin. Code, R590-238-4.

d. Failure to maintain an approved captive manager, in violation of Utah Admin. Code R590-238-13;

e. Failure to notify changes of information in Initial Application within sixty (60) days, in violation of Utah Admin. Code violating R590-238-2;

f. Failure to notify and seek approval for changes in initial ownership, in violation of U.C.A. 31A-16-103;

g. Failure to pay annual renewal of \$5000.00 license fee and \$250.00 e-commerce fees for period ending 06/30/2016, in violation of Utah Admin. Code, R590-238-20(3)(4), R590-202-8(3), and R590-102-18(1)(b).

4. On or about February 22, 2017 the respondent agreed to the findings and did not dispute the facts.

BASED UPON THE FOREGOING FACTS

I. Respondent violated the above referenced statutes when it failed to submit annual audits on a timely basis; when it failed to submit annual report in a timely fashion; when it failed

to maintain an approved captive manager; and when it failed to pay required annual fees to the Commissioner.

Based upon the foregoing facts, the Commissioner now enters the following Order:

ORDER

IT IS HEREBY ORDERED:

1. Respondent Morgan Insurance Company, Inc. shall pay \$5,000.00 license fee, \$250.00 e-commerce fee, and \$50.00 late fee. Said fees shall be paid no later than fifteen (15) days after the date this Order becomes final.
2. Respondent's Utah Certificate of Authority is revoked.
3. This Order shall become final fifteen (15) days after the date of mailing unless a written request for a hearing is received from the Respondent by the Department prior to the fifteen (15) day deadline. A written request for a hearing shall be signed by the person making the request and shall state the basis for the relief requested. The written request may be mailed to: Utah Department of Insurance, attention Sandra Halladay, State Office Building, Room 3110, Salt Lake City, UT 84114 or emailed to the Department at uidadmincases@utah.gov.
4. Failure to request a hearing on this Order will be considered a failure to exhaust administrative remedies and will preclude any further administrative or judicial review or appeal of this matter.

DATED THIS _____ day of _____, 2017.

TODD E. KISER
INSURANCE COMMISSIONER

Brett J. Barratt, J.D.
Presiding Officer
Utah Insurance Department
State Office Building, Room 3110
Salt Lake City, Utah 84114
Telephone (801) 538-3804

NOTIFICATION

If you request a hearing regarding this matter, please contact the Examiner, Sandra Halladay, at 801-537-9162. Failure to request a hearing will be considered a failure to exhaust administrative remedies and will preclude any further administrative or judicial review or appeal of this matter.

You are further notified that a failure to obey an Order of the commissioner may subject you to further penalties, including forfeitures of up to \$2,500.00 per violation and the suspension

or revocation of your license and the filing of an action to enforce this Order in District Court, which may impose forfeitures of up to \$10,000.00 per day for continued violation.

You are further notified that other jurisdictions in which you may be licensed may require that you report this action to them.

CERTIFICATE OF MAILING

I do hereby certify that on this date I both electronically transmitted and sent by regular mail a true and correct copy of the attached Notice of Informal Agency Action And Order to the following:

MORGAN INSURANCE COMPANY
C/O CORSARO & ASSOCIATES
28039 CLEMENS ROAD
WESTLAKE OH 44145
MMcAteer@corsarolaw.com

Date: _____

Jeanne Mitchell
Utah Insurance Department
State Office Building, Room 3110
Salt Lake City, UT 84114
Telephone: 801 538-3800